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Former CIA officials among UPI bidders

By Theo Stamos
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Two former CIA officials, a Houston developer and the union representing workers at United Press International were among bidders who submitted proposals yesterday to buy the financially strapped wire service.

Yesterday was the company's self-imposed deadline for receiving "expressions of interest" from would-be purchasers of the 78-year-old news organization that filed for protection under Chapter 11 of the bankruptcy laws in April.

UPI's Chairman and Chief Executive Officer Luis Nogales said in a prepared statement that the company had received "numerous expressions of interest from various parties. We are most encouraged by the response and interest to date."

David Wickenden, a spokesman for the Washington-based wire service, said that the company would not reveal the names of those submitting bids or the number of bids received. "Confidentiality continues to be essential and therefore we do not plan to make further comment until we are further along with the selection

and negotiation process," Mr. Wickenden quoted Mr. Nogales as saying.

Mr. Wickenden added that the deadline did not represent a final cut-off point and that other potential investors might come forward during the next few weeks whose proposals could be considered.

New Hampshire businessman Max Hugel, who served as an assistant CIA director during President Reagan's first term and was just named chairman of a Republican committee called Project 88, acknowledged yesterday that he and a group of investors "with great knowledge and experience in the telecommunications business" had submitted a proposal to buy the financially beleaguered wire service.

Mr. Hugel declined to say how much his group had offered UPI, or to reveal the identities of his co-investors.

The other former CIA official bidding for UPI, Robert H. Cunningham, left the CIA in 1964 after helping to organize the agency's domestic operations division. Mr. Cunningham said in a telephone interview from his home in Pawley's Island, S.C., that he had submitted a proposal to UPI on behalf of a group of investors. He said he "couldn't divulge the

investor group but they have a lot of money."

Mr. Cunningham said his group's bid included the creation of an employee trust capable of borrowing enough money to finance an international news supplement for daily newspapers.

Houston developer Joseph Russo, whose interests include a financial services network, a venture capital group, and hotel and restaurant holdings in Texas, also submitted a bid to UPI officials yesterday on behalf of a group of investors. Mr. Russo's spokesman, Russell Rau, said they expected to be competing with "five or six other serious bidders."

Meanwhile, the Wire Service Guild, which represents about 750 of UPI's domestic employees, yesterday turned in its own plan to rescue UPI.

With the approval of the bankruptcy court, the guild is allowed to submit a plan of its own for reorganizing the wire service, said Daniel Carmichael, the guild's secretary-treasurer. He refused to disclose the terms of the bid. But he added that the proposal "was consistent with the guild's effort to protect the employees at UPI."